Logan Value

LV

Q2 | 2024

LOGAN VALUE PORTFOLIOS: LOGAN VALUE (LV) Q2 | 2024 REVIEW[1]

MARKET ENVIRONMENT

The second quarter of 2024 saw the S&P 500 post new record highs, driven partly by a continued surge in dominant A.I-tied stocks. Similarly, the trend of disproportionate returns by mega-cap stocks in the S&P 500 pushed on: this quarter, nearly 80% of S&P 500 constituents underperformed the overall index, putting that statistic near multi-decade highs. We also witnessed another flash of conspicuous meme-stock trading, with many of them spiking and crashing once again. Perhaps no surprise then that the Russell 1000 Growth index followed suit, up nearly 1000 basis points more than the Russell 1000 Value index in the quarter.

Despite the relatively challenging environment for more stable, capital-returning stocks, Logan Value (LV) finished the quarter ahead of its benchmark, the Russell 1000 Value index. While LV trails its benchmark on a year-to-date basis, it continues to offer competitive returns over longer time periods. It is interesting to note that the Russell 1000 Value index has performed better than the equal weight S&P 500 index, showing that barring the anomalous performance of a few mega-cap technology stocks, value investing is holding up well.

We continue to see the trend-chasing and momentum dominance in the markets of late as setting up ample opportunities in our investing realm and are excited by the prospects in our portfolio that continue to provide solid earnings growth and dividend increases on top of their attractive valuation metrics.

PORTFOLIO REVIEW

Of the sectors in which we hold positions, those that detracted most from LV's relative performance were health care, utilities, and financials. Sectors that contributed the most to relative performance were communication services, energy, and information technology.

The largest detractor within the health care sector was our retail pharmacy holding. The company reported weaker than expected results in the quarter and lowered full year guidance due largely to headwinds within its Medicare Advantage business. While not insignificant, we view the current issues with the company's profitability as transitory, and continue to see the fundamentals as offering an attractive risk/reward, even in light of the aforementioned stumble. The stock offers a combined shareholder yield of 7.6% and a P/E multiple on forward estimated earnings of 8.4x (as of June 30, 2024).

The second-largest detracting sector for the quarter was utilities. Our utility stock had a positive return and in fact was one of the top ten best performing stocks in the portfolio, however, we had a lower utility sector exposure than our benchmark, which led to some negative

[1]LOGAN VALUE results discussed herein should be read in conjunction with the attached performance and disclosures

attribution as the sector did well in the quarter. Our utility holding reported earnings that were better than expectations, and we see the stock as one of the more attractive in the sector given its 4.1% dividend yield and 16.5x multiple on forward estimated earnings (as of June 30, 2024).

Our Midwest-headquartered bank holding was the largest detractor within the financials sector. The company reported net interest income in the quarter that was below expectations. While the company also gave full-year expense guidance that was better than expected, it was offset by weaker than expected net interest income. The stock has performed well over the past year, and so expectations were likely higher than normal going into the quarterly earnings call. Nevertheless, the stock continues to offer very compelling returns on capital versus peers, while also having a 4.9% dividend yield and 10x forward estimated earnings multiple (as of June 30, 2024).

The largest contributor within the communication services sector was our telecom holding. In addition to broader tailwinds in the quarter for communication services stocks, the company's earnings beat expectations, as customer churn and free cash flow also both surprised to the upside. We see potential in the near future for management to begin buying back shares, which would be additive for combined shareholder yield to the already-attractive 6.0% dividend yield (as of June 30, 2024).

Our British-headquartered multinational energy holding was the largest contributor within the energy sector. The company reported earnings for the quarter that beat expectations, and management announced a new $3.5 billion share repurchase program, while also confirming full-year guidance. The earnings beat in the quarter came from both strong core operating margins and better than expected trading results. With the continued robust return of capital to shareholders, the company now offers a very compelling 10% combined shareholder yield, which is well-covered by its 13.5% free cash flow yield (as of June 30, 2024).

Our semiconductor holding was the largest contributor within the information technology sector. While the sector as a whole performed well in the quarter and provided some tailwind for the stock, the company also report earnings that beat expectations and provided full-year guidance that was better than expected. The stock's combined shareholder yield of 3.4% remains one of the more compelling opportunities in the sector for a company with solid free cash flow generation and fantastic returns on capital.

PORTFOLIO OUTLOOK

The U.S. economy is standing at the junction of the consumer now seeing pandemic savings running out, inflation remaining stubbornly above the 2% target, and unemployment sitting near historically low levels. The level of the VIX index in the U.S. (a common measure of stock market volatility) is now hovering around the lowest levels seen since before the start of the pandemic. This combined with the increase in speculation in markets and the large recent outperformance of growth stocks relative to value stocks implies to us that investors may be becoming a bit too complacent about the need for prudence and temperance. While uncertainty remains amidst the contrast between relatively strong consumer macroeconomic data and weak leading economic indicators, we continue to see the best path forward as staying the course with a diverse portfolio of stable, free cash flow generative companies with strong balance sheets, sizeable margins of safety, and discerning capital allocation policies. Further, we view the relative neglect toward high-quality value stocks of late as a compelling setup for the LV portfolio holdings.

The LV portfolio offers a dividend yield of 3.6% and a P/E ratio on the next twelve month's estimated earnings of 14.2x (based on Factset estimates) as of June 30, 2024. This compares favorably to the

Russell 1000 Value index, which had a yield of 2.0% and a forward P/E ratio of 15.4x at quarter-end.

We thank you for your continued confidence and investment in Logan Value. As always, please call or email us if you have any questions.

This material represents an assessment of the market and economic environment at a specific point in time and is not intended to be a forecast of future events, or a guarantee of future results. Forward-looking statements are subject to certain risks and uncertainties. Actual results, performance, or achievements may differ materially from those expressed or implied. Information is based on data gathered from what we believe are reliable sources. It is not guaranteed as to accuracy, does not purport to be complete and is not intended to be used as a primary basis for investment decisions. It should also not be construed as advice meeting the particular investment needs of any investor. ***Past performance does not guarantee future results.***

Indices are unmanaged and investors cannot invest directly in an index. Unless otherwise noted, performance of indices does not account for any fees, commissions or other expenses that would be incurred. Returns do not include reinvested dividends.

The Standard & Poor's 500 (S&P 500) Index is a free-float weighted index that tracks the 500 most widely held stocks on the NYSE or NASDAQ and is representative of the stock market in general. It is a market value weighted index with each stock's weight in the index proportionate to its market value.

The Russell 1000 Value Index measures the performance of the large-cap value segment of the US equity universe. It includes those Russell 1000 companies with relatively lower price-to-book ratios and lower sales per share historical growth (5 years). The Russell 1000 Value Index is constructed to provide a barometer for the large-cap value segment. The index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect value characteristics.

The Russell 1000 Growth Index measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

The VIX is a trademarked ticker symbol for the Chicago Board Options Exchange Market Volatility Index, a popular measure of the implied volatility of S&P 500 index options. Often referred to as the fear index or the fear gauge, it represents one measure of the market's expectation of stock market volatility over the next 30-day period.

Logan Capital Management, Inc.
Performance Disclosure Results
Value Composite
September 30, 2000 through June 30, 2024

LV

Year	Total Return Net of Fees	Total Return Gross of Fees	Russell 1000 Value Index	Number of Accounts	Composite Dispersion Gross of Fees	Composite 3-Yr Gross Std Dev	Russell 1000 Value Index 3-Yr Gross Std Dev	Composite 3-Yr Gross Sharpe Ratio	Assets in Composite ($millions)	% of Firm Assets	Firm Assets ($millions)
YTD 2024	6.2%	6.7%	6.6%	6	N/A	15.2%	16.6%	0.2	$14	0.5%	$2,651
2023	1.2%	2.1%	11.5%	4	N.M.	15.5%	16.7%	0.5	$9	0.4%	$2,451
2022	1.7%	2.5%	-7.5%	6	N.M.	20.0%	21.6%	0.4	$12	0.5%	$2,261
2021	24.1%	25.3%	25.2%	7	0.4%	18.0%	19.3%	0.9	$13	0.5%	$2,635
2020	-0.8%	0.2%	2.8%	4	N.M.	18.3%	19.6%	0.2	$8	0.3%	$2,240
2019	24.0%	25.3%	26.5%	5	0.4%	11.3%	11.9%	0.8	$10	0.5%	$2,050
2018	-7.3%	-6.3%	-8.3%	5	0.2%	10.1%	10.8%	0.7	$4	0.3%	$1,431
2017	15.3%	16.4%	13.7%	6	0.3%	10.0%	10.2%	1.0	$8	0.5%	$1,590
2016	15.1%	16.3%	17.3%	6	0.2%	10.5%	10.8%	0.8	$6	0.5%	$1,401
2015	-2.1%	-1.2%	-3.8%	5	0.2%	10.7%	10.7%	1.2	$4	0.0%	$1,398
2014	11.2%	12.3%	13.5%	6	N.M.	8.4%	9.2%	2.1	$5	0.0%	$1,816

Annualized Returns (June 30, 2024)
YTD is not annualized

Year	Total Return Net of Fees	Total Return Gross of Fees	Russell 1000 Value Index
YTD	6.2%	6.7%	6.6%
1 Year	12.7%	13.7%	13.1%
3 Year	5.5%	6.5%	5.5%
5 Year	8.3%	9.3%	9.0%
10 Year	7.7%	8.8%	8.2%
Since Inception†	5.5%	7.0%	7.3%

†Inception 09/30/2000
N.M. - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

Logan Value Composite contains fully discretionary large cap value equity accounts, measured against the Russell 1000 Value Index. You cannot invest directly in an index. The Russell 1000 Value Index measures the performance of the large-cap value segment of the US equity universe. It includes those Russell 1000 companies with relatively lower price-to-book ratios and lower sales per share historical growth (5 years). The Russell 1000 Value Index is constructed to provide a barometer for the large-cap value segment. The index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect value characteristics. The benchmark selected includes the reinvestment of dividends and income, but does not reflect fees, brokerage commissions, withholding taxes, or other expenses of investing. This benchmark is used for comparative purposes only and generally reflects the risk and investment style of the composite. The Sharpe Ratio is included to help investors understand the return of an investment compared to its risk. The ratio is the average return earned in excess of the risk-free rate (90 Day U.S. TBill) per unit of volatility or total risk.

The strategy invests in 35-45 large cap stocks with strong balance sheets and strong cash flows, and which typically have relatively high dividend yields. ADR's may be included in the portfolio (generally less than 10%). Turnover is typically 25 - 50% annually. Only accounts paying commission fees are included. Prior to January 1, 2012, the composite included both wrap and commission accounts. No minimum account size for this composite.

Logan Capital Management, Inc. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Logan Capital Management, Inc. has been independently verified for the periods April 1, 1994 through December 31, 2023. A copy of the verification report(s) is/are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedure for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

Logan Capital Management, Inc. is a privately owned Pennsylvania-based investment adviser registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. Registration as an investment adviser does not imply a certain level of skill or training. The verbal and written communications of an investment adviser provide you with information you need to determine whether to hire or retain the adviser. The firm maintains a complete list and description of composites, which is available upon request.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Past performance is not indicative of future results. The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Gross of fee returns, have, however, been reduced by all actual trading expenses. Net of fee returns are calculated net of actual investment management fees & actual trading expenses. Prior to 2020, the annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. Equal-weighted dispersion is presented for 2021 and going forward. Additional information regarding the policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

The investment management fee schedule for non-wrap accounts is as follows: 65 basis points on the first $25 million, 55 basis points on the next $25 million, 45 basis points on the next $25 million and 35 basis points on the next $25 million. Fees for accounts with over $100 million in assets are negotiable. Minimum fee is $32,500. Actual investment advisory fees incurred by clients may vary.

The Logan Value Composite was created October 1, 2000.